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THE RESERVE

Market Administrator's BULLETIN

MARKET ADMINISTRATOR

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I want my milk!

USDA AWARDS CONTRACT FOR STUDY OF IMITATION MILKS

The wholesomeness, nutritional value, flavor, texture, and functional qualities of all known true imitation milks in the United States will be studied by Cornell University, Ithaca, N. Y., under a $18,572 contract awarded by the U. S. Department of Agriculture.

Limited data indicate that some imitation milks now marketed may be deficient in some major nutrients provided by milk, especially protein. If this is true, such products are not bargains and may be used unwisely.

Using sophisticated laboratory techniques, imitation milk samples will be analyzed for protein, carbohydrate, fat, phosphorus, calcium, riboflavin, and thiamin content as well as for bacterial count.

Expert milk tasters and consumer taste panels will compare the flavor, texture, and appearance of the imitation milks with good--quality cow's milk.

The scientists will also examine the effects of freezing and cooking each product, the degree of bacterial fermentation, and the product's compatibility with other foods.

During the 15 month term of the contract, the researchers plan to test approximately 100 imitation milks and their mixes. Samples will be obtained from dairy cases in grocery stores as well as from manufacturers.

REGIONAL CHANGES IN MILK PRODUCTION AND MARKETINGS

Prepared by Robert R. Miller, Economic and Statistical Analysis Division, Economic Research Service.

Since 1964, milk production in this country has become less concentrated regionally, reversing a trend that lasted from World War II to the mid-1960's. Weather conditions, availability of alternatives to dairying, feed and labor costs, and prices affect production. Along with demand for dairy products, they vary from region to region. Their impact leads to variations in regional production, which, of course, affect national milk output. A closer look at some of these regional changes may be helpful in explaining national trends.

MILK PRODUCTION TRENDS

From 1949 to 1964, the steady increase in U. S. milk production was caused by sharply higher milk output in three regions--the Pacific, Lake States, and Northeast. During this period, milk production became more

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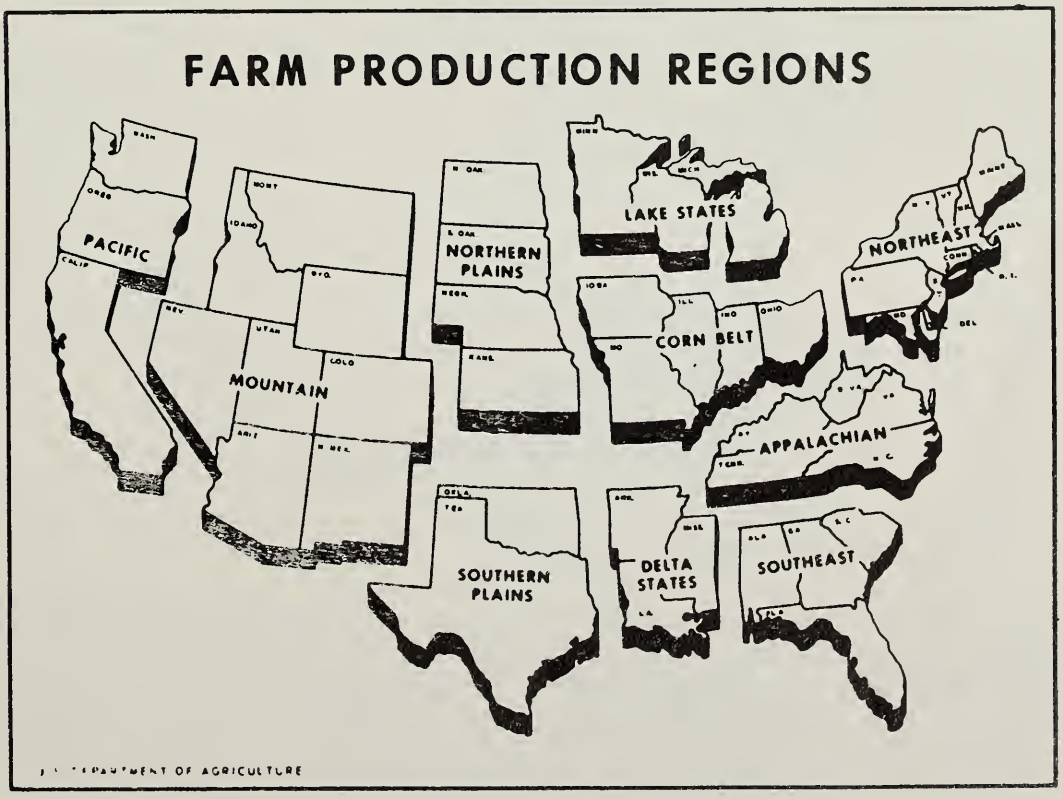


NORTHWESTERN OHIO Milk Marketing Area
151 Michigan Street, Toledo, Ohio 43624

Federal Order No. 41
Telephone: 419/ 241-3157

Northwestern Ohio

MARKET FACTS FOR EASY REFERENCE

	July 1969	June 1969	July 1968
PRICE SUMMARY			
Market Blend (No Location Adjustment)	$5.370	$5.290	$5.400
Class I (No Location Adjustment)	6.090	6.070	6.030
Class II	4.240	4.250	4.180
Producer Butterfat Differential for each 1/10%	.080	.080	.078
PRODUCTION SUMMARY			
Total Lbs. of Producer Milk Delivered	41,853,504	44,085,324	44,513,643
Average Daily Class I Producer Milk	809,887	828,284	928,210
Average Daily Production per Producer	1,049	1,104	1,049
Total Number of Producers	1,287	1,331	1,369
Average B.F. Test of All Producers	3.552	3.584	3.552
UTILIZATION SUMMARY			
Amount of Producer Milk in Class I	25,106,497	24,848,519	28,774,525
Amount of Producer Milk in Class II	16,747,007	19,236,805	15,739,118
Percent of Producer Milk in Class I	60.0	56.4	64.6
Percent of Producer Milk in Class II	40.0	43.6	35.4
Total Value at 3.5%	$2,247,533	$2,332,114	$2,403,737
Total Value at Test	$2,253,819	$2,352,822	$2,409,341
Income per Producer (7 Day Average)	$395	$412	$398
AVERAGE DAILY SALES (Quarts)			
Milk	274,368	282,105	342,912
Skim	73,639	76,069	63,465
Buttermilk	5,463	6,179	4,341
Flavored Milk and Drink	9,736	11,481	11,828
Cream	4,642	5,427	6,643

USDA INVITES BIDS FOR CORN-SOYA-MILK

The U. S. Department of Agriculture has requested bids for the sale to the Commodity Credit Corporation of Corn-Soya-Milk (formerly called "Blended Food Product") packed in 50-pound paper bags for donation overseas. The product will be used to combat malnutrition in underdeveloped countries and will be distributed overseas through voluntary agencies and the Agency for International Development (AID) Program.

The Corn-Soya-Milk contains gelatinized corn meal, soya flour, nonfat dry milk, and vitamins and minerals necessary to provide a balanced food. CCC purchases of this product since the program was started in July, 1966, have amounted to about 971 million pounds.

DAIRY PRODUCT PURCHASES

Dairy Situation, July, 1969

For January-June, CCC's net removals of butter and cheese from the commercial market came to the equivalent of 3.5 billion pounds of milk this year, down from 3.9 billion in 1968. Removals in April and May exceeded year-earlier levels, but declined in June. Nonfat dry milk removals were 251 million pounds, down from 331 million in January-June 1968.

Increased butter purchases in April and May brought January-June acquisitions to about year-earlier levels. Through May, cheese removals were about 17 percent less than a year earlier. CCC has contracted to buy none since early April, and little or no purchases are expected for the rest of 1969. USDA purchases of nonfat dry milk have been only about three-fourths as much as in the same months of 1968.

USDA continues to acquire corn-soya-milk (CSM) for use in feeding programs in developing countries. CSM contains 5 percent nonfat dry milk in addition to cornmeal, soy flour, vitamins, and minerals. On June 12, CCC bought 32.8 million pounds.

DAIRY EXPORTS DOWN FROM A YEAR EARLIER

Dairy Situation, July, 1969

Despite gains in exports of some items, especially evaporated milk, nonfat dry milk, and cheese, the milk equivalent (fat solids basis) of U. S. dairy product exports for January-April was down slightly from a year earlier. The decline was caused by lower exports of butter and butteroil. Food for Peace exports of butter and butteroil for use in foreign feeding programs have fallen off, largely because of reduced U. S. supplies. Although exports of butter have been relatively small, its high fat content gives it substantial weight in calculating the milk equivalent. Exports of other major dairy products generally have been maintained at or above year-earlier levels.

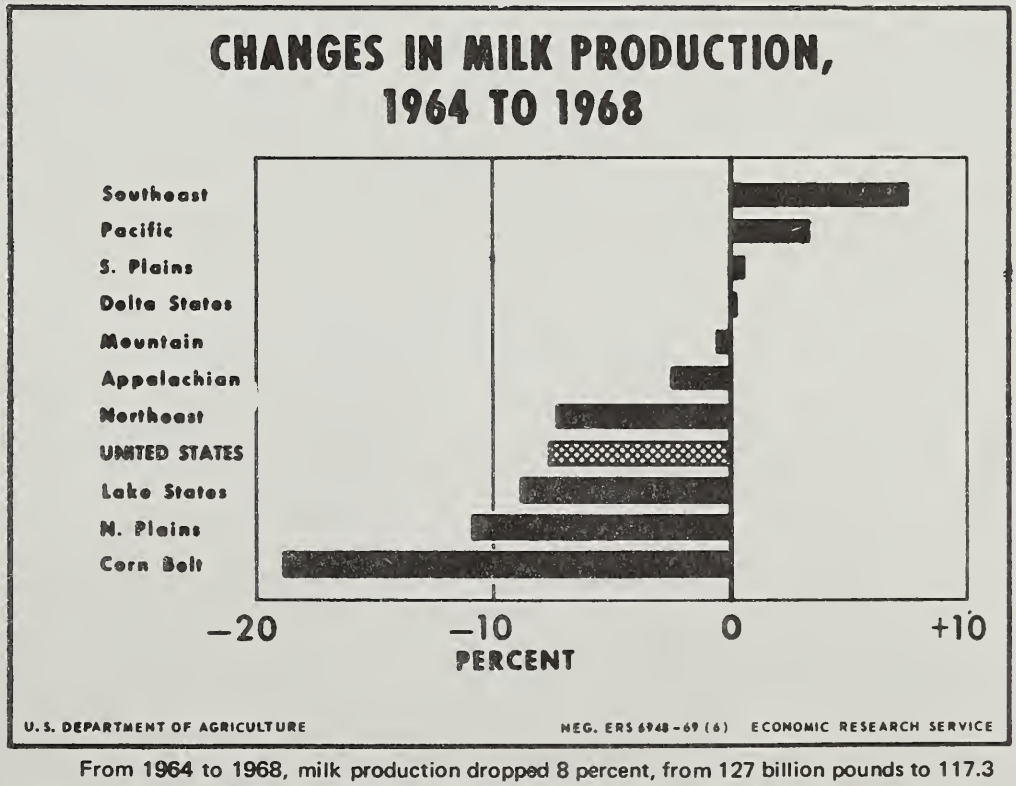
Dairy exports in 1968 were valued at $140 million, compared with $115 million in 1967. They amounted to about 2 percent of the value of all agricultural exports and 21 percent of animal product exports. Asia was our most important market for dairy products, followed by North America (Canada, Mexico, and the Caribbean area).

Shipments of U. S. dairy products to off-shore territories (Puerto Rico, Guam, Virgin Islands, Wake, and American Samoa) were the equivalent of 127 million pounds of milk in January-April, only 80 percent of the year-earlier level.

Shipments of dry whole milk rose slightly; those of other major dairy products declined. In recent years, the territories have become nearly as important a commercial market for dairy products as the rest of the world.

DAIRY PRICE SUPPORT ACTIVITY REPORT FOR JULY, 1969

Commodity Credit Corporation contracted in July to buy 21.9 million pounds of butter and 15.8 million pounds of nonfat dry milk, the Department reported. Purchases on a delivery basis were 21.9 million pounds of butter (all in bulk, contracted for immediate delivery) and 42.5 million pounds of nonfat dry milk.



From 1964 to 1968, milk production dropped 8 percent, from 127 billion pounds to 117.3 billion. The change varied widely among regions. Southern and Pacific regions increased output; other regions lost production. The drop was largest in the heavier producing areas—the Northeast, Lake, Northern Plains, and Cornbelt States. These areas now produce a smaller proportion of U. S. milk than in 1964. Most of the decline was in manufacturing grade milk and cream, 12 percent and 56 percent, respectively. Marketings of milk for the fluid market declined 1 percent.

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REGIONAL CHANGES IN MILK PRODUCTION AND MARKETINGS

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concentrated in these 3 regions. They increased their share of U. S. output from 50 percent in 1949 to 58 percent in 1964. Only 1 other region, the Mountain, gained a larger share of U. S. output during this period, and it had a relatively small increase. Lower output in the Corn Belt and Northern Plains reduced their share of total production from 28 percent in 1949 to 23 percent in 1964. The Southern Plains and Delta States also had substantial declines in production.

From the 1964 peak of 127 billion pounds, milk production in the United States declined almost 10 billion pounds by 1968 (an average of about 2 percent annually), and is continuing downward this year. Accompanying this trend has been a move to less regional concentration of production. From 1964 to 1968, production in the important Lake States and Northeast dairy regions declined. The Northeast region's share of U. S. output remained fairly stable, but the Lake States' share dropped. However, these two regions still account for about half of the total milk supply. Of the big 1949-64 gainers, only the Pacific region continued to increase its share of national milk output. All Western and Southern regions were supplying a larger proportion of U. S. production in 1968 than 4 years earlier. Milk production in the Corn Belt and Northern Plains dropped at an even sharper annual rate than during 1949-64, and their contribution to the U. S. total continued downward. During the past 4 years, production fell around 5 percent annually in the Corn Belt and about 3 percent per year in the Northern Plains.

These trends are continuing in 1969. In January-May, milk production in the Northern Plains, Corn Belt, Lake States, and Southern Plains regions declined more from a year earlier than for the country as a whole.

Market Quotations

	JULY 1969
MINNESOTA-WISCONSIN PRICE SERIES	$4.41
Butter-nonfat dry milk price, 3.5% per cwt. (Columbus)	4.24
Average Price per lb. 92-score butter at Chicago	.6764
Average carlot prices, spray process nonfat dry milk, f.o.b. Chicago area manufacturing plants	.2296

CHANGES IN OUTPUT PER COW AND COW NUMBERS

The rapid milk production gain in the Northeast, Lake States, and Pacific regions during 1949 to 1964 was due primarily to small declines in milk cow numbers in those sections which were more than offset by gains in milk per cow. The number of milk cows declined less than 1 percent annually in these 3 regions, compared with an annual average decline of almost 3 percent in the rest of the country. From 1949 to 1964, the decline in dairy farms in the Northeast and Lake States was less than in other U. S. regions. Although gaining more in other areas, output per cow was substantially higher in the Northeast, Lake States, and Pacific regions.

From 1964 to 1968, a slowing rate of gain in milk output per cow, plus a quickened decline in cow numbers, reduced milk production in the Northeast and Lake States. In these 2 areas, milk cow numbers fell about 3½ percent annually, while output per cow was up only some 2 percent. While output per cow gained about 2 percent annually in the Pacific region, cow numbers fell only 1 percent, so total milk output rose. Rapidly expanding output per cow offset smaller cow numbers in most other western and in southern areas. Cow numbers continued to fall rapidly (around 6 percent annually) in the Corn Belt and Northern Plains, as the number of dairy farms continued to decline.

(Continued Next Month)